EXECUTIVE SECRETARIAT
ROUTING SLIP

Memo Chrono

TO:		ACTION	INFO	DATE	INITIAL
1	DCI		X		
2	DDCI		X		
3	EXDIR				
4	D/ICS				
5	DDI	X			
6	DDA				
7	DDO				
8	DDS&T				
9	Chm/NIC				
10	GC				
11	IG				
12	Compt				
13	D/OLL				
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SUSPENSE _____
Date

Remarks

STAT

Executive Secretary

3 Aug 85
Date

3637

Executive
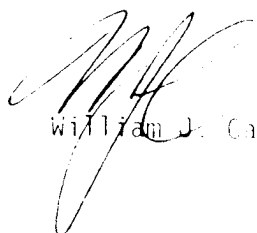65-
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3 August 1985

MEMORANDUM FOR: Deputy Director for Intelligence

FROM: Director of Central Intelligence

SUBJECT: 1986 Research Program

    1. I have found the cross-cutting themes in the 1986 research program very impressive.

    2. Reading it gives me the occasion to suggest that we ask OGI to do some work on the global financial structure and interrelationships between its key elements and the leverages and the vulnerabilities it creates for various countries. As I see it, the key elements are the trade deficits and the potential for protectionist measures which they engender, the foreign investment flow, together with the budget deficits and the financial vulnerability which could come from withdrawals of funds or other elements of the financial flow, e.g. heavy Japanese investments in other countries, the foreign debt overhang, the relative value of currencies, particularly the dollar, and the trade implications, as well as the financial vulnerabilities which might occur from abrupt changes in relative values, the implications of the drift of production capabilities and technology from one country to others, notably the US, Japan and Europe, subsidy in market targetting and other trade promotion policies, etc.

    3. We have done work on most of the above separately. We should take a look at their interrelationships in the context of the total global economic, financial and political structure. Let's talk about who could take the first shot at formulating the framework for this kind of an undertaking.

William J. Casey

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CROSS-CUTTING THEMES

FY86 RESEARCH PROGRAM